The Greyhound Corporation 1966 Annual Report

The cover shows the three faces of diversified Greyhound Corporation: transportation, food and financial services. (Top) Your company's single-level bus, manufactured by our Motor Coach Industries; (center) students on a ski weekend at Western State College, Gunnison, Colorado, share a Prophet Company-prepared box lunch, in one of the subsidiary's unusual food-serving roles; (bottom) a 34,000-ton bulk carrier, built in Ireland and leased to European and Middle East shipping companies by Greyhound Financial & Leasing Corporation, A.G.

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ANNUAL MEETING

The annual meeting of Greyhound stockholders will be held May 16, 1967, starting at 10:30 a.m., Pacific Daylight Saving Time, at the Biltmore Hotel, Los Angeles, California. A formal notice of the meeting, a proxy statement and a form of proxy will be mailed to stockholders in mid-April.

PROFITS CLIMB IN 1966

	1966	1965	Change
Transportation Services			
U. S. Bus Operations	$32,295,203	$32,125,912	+ .5%
Canadian Bus Operations	2,495,107	2,008,931	+24.2%
Bus Manufacturing	929,262	755,979	+22.9%
Household Moving	642,089	376,385	+70.6%
	$36,361,661	$35,267,207	+ 3.1%
Food Services	3,588,222	3,698,212*	− 3.0%
Financial Services			
Equipment Leasing	3,541,161	2,160,553	+63.9%
Computer Leasing (Excludes Minority Interests)	2,675,254	1,966,515	+36.0%
Insurance	1,052,664	721,291	+45.9%
Money Orders	744,952	601,333	+23.9%
	$ 8,014,031	$ 5,449,692	+47.1%
Less Minority Interests	1,240,732	985,776	+25.9%
Consolidated Net Income	$46,723,182	$43,429,335	+ 7.6%

*Includes nonrecurring net income from 1965 New York World's Fair operations of Post Houses, Inc.

HIGHLIGHTS OF 1966

Revenues and earnings rise to highest levels in Greyhound's history

	1966	1965	Change
Revenues	$545,895,668	$513,295,900	+ 6.4%
Earnings	$ 46,723,182	$ 43,429,335	+ 7.6%
Per share	$1.49	$1.38	—
Common dividends	$ 28,013,553	$ 27,192,889	+ 3.0%
Per share	.90	.875	—
Depreciation	$ 21,517,329	$ 20,979,672	+ 2.6%
Cash flow*	$ 68,240,511	$ 64,409,007	+ 5.9%
Taxes	$ 67,078,115	$ 64,717,626	+ 3.6%
As a per cent of revenues	12.3%	12.6%	—
Expenditures on buses and facilities	$ 46,328,397	$ 27,767,488	+66.8%
Current assets less current liabilities	$ 42,616,425	$ 38,837,212	+ 9.7%
Current assets to current liabilities	1.43	1.51	—
Long-term debt	$ 76,677,684	$ 67,307,248	+13.9%
Shareowners' equity	$234,634,607	$210,667,517	+11.4%
Long-term debt (including current portion) per dollar of equity	$3.06	$3.13	—
Number of common shares outstanding	31,116,881	31,095,219	—

*net income plus depreciation

MESSAGE FROM YOUR MANAGEMENT

Dear Shareholder:

We are both proud and pleased to report that 1966 was the best year ever for your company. Profits of The Greyhound Corporation totaled \$46.7 million—or \$1.49 per share of common stock—on revenues of \$545.9 million.

This equals a 7.6 per cent increase in earnings on a revenue gain of 6.4 per cent.

For the 30th consecutive year, your company paid cash dividends on the common stock—90 cents a share in 1966. At the February 2, 1967, meeting of the board of directors, the quarterly dividend was increased to 25 cents or \$1 per share on an annual basis.

The year past was significant in many respects. For one thing, your company announced it will report profits of Greyhound's various services. This will enable you, our shareholders, to gain an even greater insight into affairs of the company. We believe you also will appreciate our efforts to make the financial statements somewhat easier to read and understand.

Greyhound's record year—outlined in the accompanying tables—was achieved despite a six-week strike in our 11-state Western Division bus operations; despite the government's balance-of-payments program, which has restricted the expansion of our operations in Europe, and despite continued inflation, which caused the cost of doing business to rise for all our companies.

Frederick W. Ackerman
Chairman

Gerald H. Trautman
President

Management 'Sells' Greyhound

During the year, management lost no opportunity to "sell" Greyhound, not only to customers but to the financial community and others to make them more fully aware of "the Action Company With a Future." We outlined the Greyhound story in 1966 to more than half a dozen groups of financial analysts. In addition, we were interviewed by numerous individual analysts during the year.

During 1966, we created a subsidiary, GC Computer Corporation, to handle our substantial computer-leasing business. It is one of the nation's largest computer lessors. To provide funds for its expansion, a public financing was arranged through investment bankers. After the offering, Greyhound owned $86^1/_2$ per cent of GC Computer.

The 50 per cent-owned Swiss-based industrial-leasing company, Greyhound Financial & Leasing Corporation, A.G., during 1966 and early this year raised its capital to \$4.2 million (18,280,000 Swiss francs) by addition of an outstanding group of European bankers as shareholders.

Greyhound Leasing & Financial Corporation was successful in last year's tight-money atmosphere in arranging its first long-term financing since we acquired the subsidiary in 1962. The private placement with 23 institutional lenders included \$14.6 million of 6 per cent senior notes and $\$23^1/_4$ million of $6^1/_2$ per cent senior subordinated notes, both due in 1981.

The entire \$10.9 million cost of our new Los Angeles bus terminal was financed with two insurance companies at the favorable interest rate of 5 per cent over 20 years. Upon completing the expansion of our Chicago bus garage, a \$4 million mortgage for 20 years at $5^1/_8$ per cent was arranged.

The 1966 annual meeting was held at Chicago, and had a fine turnout. It was the first time in the company's history that the meeting was held outside Wilmington, Delaware. Pursuant to the rotation policy established by your Board of Directors, the 1967 meeting will be held at Los Angeles, where we expect to complete the new terminal this summer. We invite you to attend this meeting, which is to begin at 10:30 a.m., local time, May 16 at the Biltmore Hotel in Los Angeles.

Sightseeing Company Acquired

Because of our strong belief in the future of pleasure travel, tour and sightseeing services, Greyhound in 1966

bought White-Way Sightseeing Tours, Inc., since renamed Washington Sightseeing Tours. It operates in our nation's capital.

Your company's 1964 offer to acquire a 20 per cent interest in Railway Express Agency, Inc., is pending before the U. S. Supreme Court. We anticipate a decision on this $10 million investment before summer.

Capital spending in 1967 will be about the same as last year's $46 million. Approximately half of our 1967 spending will go to buy some 600 new buses. This is about the same number of new buses added to the fleet in 1966. Much of the remainder of our investment will go for new terminals and garages, for new vans for household moving, and for new restaurants.

Again in 1966 we were able to provide the investment required to acquire new buses—$25½ million—without outside financing. No funds are borrowed currently against the bus fleet.

Also during 1966, your company received authorization from the Interstate Commerce Commission to sell up to $100 million of commercial paper for maturities up to 270 days. These short-term notes, sold in varying amounts through an investment banker, provide the company with an additional source of current funds. The ability to sell these unsecured notes on the public market is a reflection of the strong credit position enjoyed by your company.

We welcome to Greyhound a new director: Howard Boyd of New York City and El Paso, Texas. He is chairman of the board of El Paso Natural Gas Company. He replaces the late Theodore S. Petersen, San Francisco industrialist who served Greyhound devotedly and well for many years before his death in September.

We will not dwell on what 1967 and future years promise for your company, since that topic is covered at length elsewhere in this report. But we do wish to declare our firm conviction that substantial progress may be anticipated this year in all areas of Greyhound.

While no acquisitions are imminent, your company continues to receive proposals daily. We anticipate that any future acquisitions will be in the service or financial areas, in areas related to our bus operation, or in other areas that can take advantage of Greyhound's many attributes.

Greyhound's 'Great Opportunities'

The year ahead holds great opportunities for your company. These challenges can be met with the most successful of results through the continued cooperation and support of our 34,000 employees, our several hundred million customers and our nearly 125,000 shareholders, all of whom we thank for having helped make 1966 the best year in the 52-year history of The Greyhound Corporation.

F. W. Ackerman — Gerald H. Trautman

Frederick W. Ackerman
Chairman

Gerald H. Trautman
President & Chief
Executive Officer

By order of the Board of Directors March 1, 1967

THE GREYHOUND CORPORATION

The Greyhound Corporation is the parent, holding company for several diverse services.

Greyhound today provides intercity bus service throughout the United States and Canada . . . intracity and intercity bus service in The Netherlands . . . tours throughout the United States, Canada, Mexico, Europe and elsewhere in the world . . . sightseeing in various parts of this country and Canada. We're also engaged in bus manufacturing . . . food services, including highway restaurants, some in conjunction with franchised motor lodges . . . industrial-equipment leasing in the United States, Canada and western Europe . . . computer leasing . . . sale of various types of insurance and of money orders . . . and household moving and storage.

Greyhound today is the:

- largest intercity-passenger carrier, and this country's only truly national transportation company
- largest industrial-equipment lessor
- largest operator of independent and escorted tours in the United States
- second-largest money order firm
- fifth-largest food-service firm
- sixth-largest nationwide household moving company

'Action' Theme Selected

Against this diversified background is set the theme of this annual report: "Greyhound . . . the Action Company With a Future." The theme was selected to illustrate the growth opportunity, enthusiasm, advance planning and type of management that exist today in your company.

The theme was picked to project what we view as the true identity of Greyhound today. Greyhound in 1967 is a progressive organization doing business in a modern way. And it is taking pains to ensure success in the years ahead—by expanding existing business and by exploring new areas.

Late in 1966, headquarters of the company were moved to a new office building in Chicago. This has improved headquarters efficiency greatly, since our executives now are located on one floor rather than scattered throughout four separate floors, as in the previous premises.

During 1966 and early in 1967, various benefits were introduced for many of the company's 34,000 employees to give them a greater interest in attainment of the company's goals. A stock-purchase plan was established for all employees with at least a year of service.

To retain and motivate key members of middle-management, more than 200 were granted stock options in 1966. Ultimate value of the options, of course, is tied directly to the ability of those receiving them to produce results that will make Greyhound prosper for all the company's stockholders.

More Productive Employees Foreseen

Your company's management believes these and other new benefits, as well as our management-development programs, can only result in a greater, more productive effort on the part of all employees. This will enable Greyhound to realize more fully its potential in the years to come.

To improve communications, a new quarterly internal/external magazine, *Go With Greyhound,* was created. The magazine is sent employees, stockholders, our bankers, financial analysts and others to keep them informed of significant developments within the company.

These and other steps forward within Greyhound have been achieved in an atmosphere of accomplishment. This atmosphere has been developed, encouraged and expanded by a skilled, experienced group of personnel in our headquarters offices. Average age of these executives is 47.

Several changes in the entire company's top personnel were made during 1966 and early this year, giving Greyhound a young, able and aggressive team—for now and the years to come.

Officers promoted include:

- Ralph C. Batastini, 37, to vice president for finance of The Greyhound Corporation after nine years with the company in top financial positions.
- James A. Hanley, 35, to corporate treasurer. He has been with Greyhound since 1960, the last three years as a vice president and chief financial officer of Greyhound Leasing & Financial Corporation.
- D. P. Boothe, Jr., 56, to chairman of Greyhound Leasing, with overall responsibilities for GC Computer. Mr. Boothe is founder of the first company Greyhound acquired, in 1962, under its diversification policy.

• W. Carroll Bumpers, 45, to president of Greyhound Leasing with responsibility for its day-to-day operation. He was the subsidiary's executive vice president.

• H. Noel Crawford, 40, to president and general manager of Greyhound Leasing of Canada, Limited; promoted from vice president.

• James L. Kerrigan, 37, to president of Greyhound's Central bus division. He joined Greyhound in 1947, and held various key positions before being named division vice president and general manager in 1966.

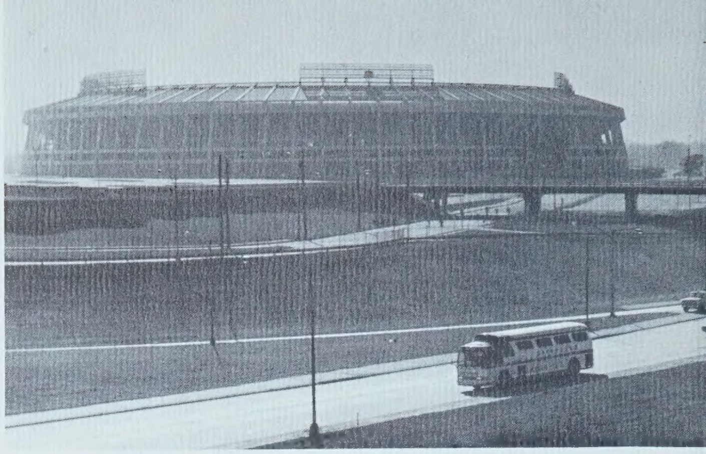
• C. D. Kirkpatrick, 43, to president of Greyhound Highway Tours. He has been with your company since 1941. He became marketing vice president for our Western bus operations in 1960.

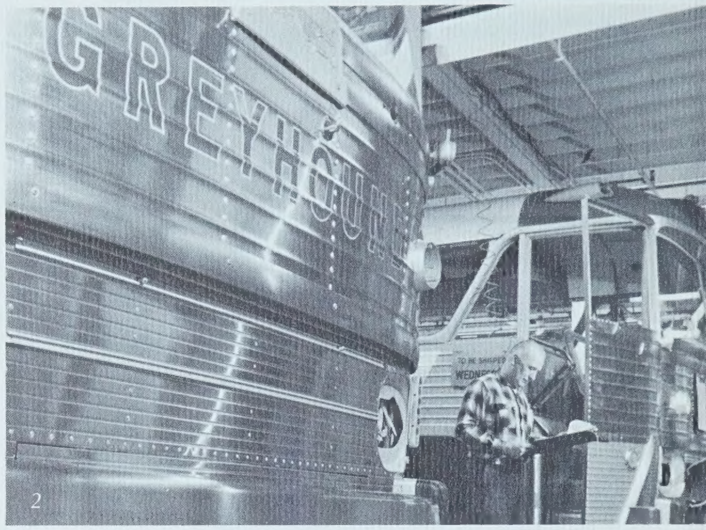
• V. K. Stephens, 49, to president of Washington Sightseeing Tours. He has been a top-level sales executive most of his business career.

• Joseph G. Stieber, 48, to vice president for engineering of our bus subsidiary, Greyhound Lines, Inc. He has been with us since 1946, the last two years as director of engineering.

• Theodore van Schelven, 44, to Greyhound Lines vice president for Europe. He joined us in 1964 as director of international sales after a career as a sales executive specializing in foreign markets.

• Paul W. Williams, Jr., 41, to senior vice president for sales of GC Computer Corporation. He was with IBM 17 years before joining us.





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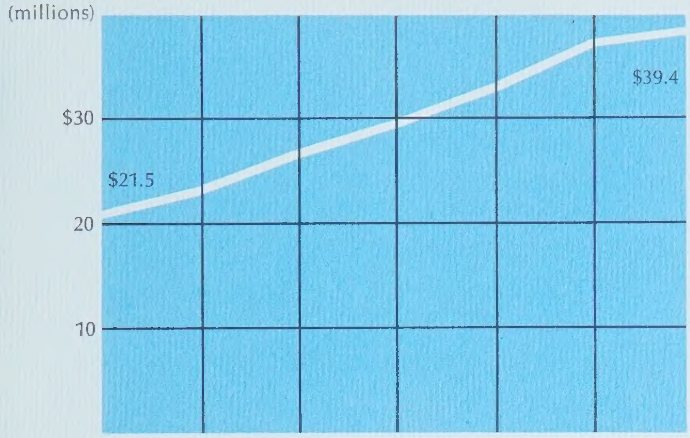
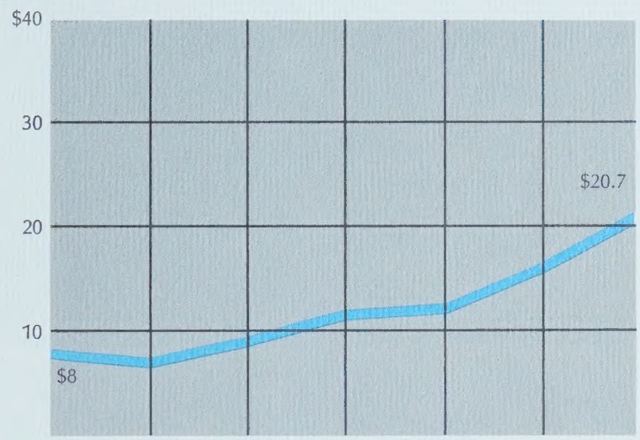
1 Greyhound's General Motors-built bus. That's Atlanta's new sports stadium in the background.
2 Shell of another single-level Greyhound bus—manufactured by our Motor Coach Industries subsidiary—rolls off the assembly lines.
3 Greyhound received high praise for its letter-perfect handling of this 20-bus charter. We carried some 760 northern Kentuckians to see their governor and tour the state capitol. It was a unique, newspaper-organized mid-week trip.
4 Americans are changing homes in record numbers. And more and more families are picking Greyhound Van Lines for a safe, efficiently handled move.

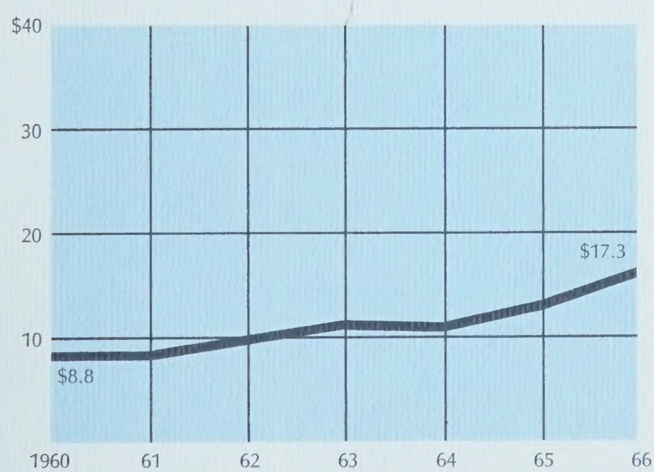
TRENDS OF REVENUES (1960-1966)



Greyhound Package Express



Greyhound Van Lines



Greyhound Lines of Canada

Revenue trends were decidedly upward in 1966 in these three transportation service areas of your company. Greyhound Package Express—the 24-hour, 7-day-a-week package-shipment service—continued its dramatic rise. Its revenues climbed from $21.5 million in 1960 to $39.4 million last year, an 83.6 per cent increase. Revenues of Greyhound Van Lines, our moving and storage subsidiary, rose 157.9 per cent—from $8 million in 1960 to $20.7 million last year. And Greyhound Lines of Canada, another rapidly growing phase of your company, reported 1966 revenues of $17.3 million, up 96.6 per cent from $8.8 million in 1960.

Transportation Services

Your company's activities in this area range from intercity bus service to tours and sightseeing to bus manufacturing to household moving.

Household moving is provided by Greyhound Van Lines, one of Greyhound's oldest subsidiaries and one of our most successful in 1966. It increased revenues and earnings to record levels last year. It earned $642,089, up 70.6 per cent, on $20,737,108 in revenues.

It added many new vans during the year and increased use of data processing to coordinate their movement. The company, sixth in household moving in the United States, is a 48-state household goods carrier. Application for authority is pending that would enable Greyhound Van Lines to extend its service to Hawaii.

Greyhound Van Lines recently was granted operating authority to use New Mexico as a "gateway state." This enables our fleet of moving vans to use every transcontinental highway between the Canadian and Mexican borders.

Our bus operations, meanwhile, were proving equally successful in 1966. They reached record levels in virtually every category. We operated more passenger-miles—10.7 billion, a 3.7 per cent increase over 1965—than ever before in our history. Bus-miles operated rose to 535 million from 526 million, a nearly 2 per cent increase. Seat occupancy increased 2 per cent, our buses went more than 5 per cent further between road failures, and miles per gallon of diesel fuel increased more than 2 per cent. All of this indicates growing acceptance of your company's intercity bus service, and increased economy of operation.

Bus service is provided all 48 U. S. continental states and the District of Columbia by Greyhound Lines and throughout Canada by Greyhound Lines of Canada.

The year past saw Greyhound gain a firmer foothold in Europe through its subsidiary, VAVO-Greyhound, which charters buses to U. S. and Canadian tour operators for package tours throughout western Europe.

Summer Business Heavy

Greyhound Lines of Canada, owned 62 per cent by your company, enjoyed a record year financially with earnings of $2,495,107, up 24.2 per cent on revenues of $17,332,197.

To handle heavier-than-normal summer business, new buses were added to the Canadian company's

fleet. The buses were built by Greyhound's bus-manufacturing subsidiary, Motor Coach Industries, Limited, headquartered at Winnipeg, Canada. Our U. S. bus-builder, Motor Coach Industries, Inc., based at Pembina, North Dakota, produced its 1,000th unit during the year. Construction was begun on new plants at Winnipeg and Pembina. With equipment, the plants will cost about $6½ million. MCI needs the increased space to maintain its current manufacturing pace of 500 buses a year, and to build an entirely new bus for future business growth.

The new bus, 102 inches wide—six inches wider than at present, giving each pair of seats more than two additional inches of space—will be road-tested this year between Chicago and New York City. We expect to start production of the new bus late this year. Newest intercity bus on the highway, the new-model Greyhound will provide increased traveling comfort and safety.

Safety Record Maintained

Safety continues of paramount importance to your company. Over the years, travel via Greyhound has proved to be more than 17 times safer than by private car, an important factor to our passengers—as well as to your company. Our drivers' safety record is a result of several factors. Among them are extreme care in selection of drivers, professional training of drivers, and continued close attention to their safe driving progress throughout their careers behind the wheel.

In our continued efforts to tailor our service to the desires and needs of the traveling public, Greyhound in 1966 introduced deluxe, increased service between selected pairs of cities. Often this was hourly or more frequent, non-stop or through-bus service. Among the cities were Chicago and Milwaukee, St. Louis and Kansas City, Boston and New York City, and Washington and New York City.

Many of our passengers rode new Greyhound buses in 1966. Nearly 600 buses were added to the fleet during the year.

Travelers who aren't familiar with the modern-day comfort and convenience of going Greyhound today are in for a surprise—and a most-relaxing trip—as these photos indicate. (1) A friendly driver inspects a young passenger's "baggage." (2) She, in turn, inspects other passengers. Note the big picture windows, tinted to reduce glare while reading or watching the sights go by. (3) Travelers young or old—and even dolls—appreciate the convenience of a fully equipped rest room. Nearly all of Greyhound's buses today are "all-weather" air-conditioned, have adjustable, reclining seats and ventilation ducts for added comfort.

Increased service to Montreal will be offered passengers traveling to Expo 67, which we believe will be the year's most-popular travel objective. Sixteen daily express trips will be established between New York City and Montreal alone. This is an increase of 10 trips a day. Special service also will be operated from other Eastern cities, including Boston, Philadelphia, Washington and Baltimore.

Through Greyhound Highway Tours, we will offer a greatly expanded escorted tour program built around the fair. The fair opens April 28 for six months. More than 100 U. S. and Canadian cities will have escorted tours direct to the fair in 1967, Canada's 100th birthday. Independent tours utilizing Greyhound's regular bus service will be available from literally every city in America. Thousands of early, advance hotel bookings have been applied against a total Greyhound commitment of 70,000 "room-nights" for the fair.

Montreal, described as the "Paris of the Americas," is the largest French-speaking city outside of Paris itself. Canada's oldest city is indeed a proper setting for this world exhibition. More than 70 nations have taken exhibition space at Expo 67, a birthday party the world will long remember.

See Added Tours, Sightseeing

Four Greyhound companies in the tour/sightseeing field enjoyed successful years in 1966. The companies are California Parlor Car Tours and Gray Line of San Francisco, two established subsidiaries, and Brewster Transport Company, acquired in 1965, and Washington Sightseeing Tours, acquired in 1966. All four firms are geared to handle greater amounts of business in '67.

Added bus business will continue to be sought in 1967 through television, magazine and newspaper advertisements stressing Greyhound's leadership position in the intercity bus industry. The ads also will emphasize the many advantages of going Greyhound.

Plans enabling travelers to go Greyhound with greater economy during the off-season were offered last year. Extended through 1967 is the popular "See America" plan for persons from foreign countries, permitting travel throughout this country and Canada for up to 99 days for a total of $99. Efforts were stepped up during the year to increase the amount of Greyhound passenger and tour business from foreign countries.

New Terminals Built

Greyhound's service to the traveling public was improved during 1966—and will be even more in 1967—through construction of new terminals and modernization of existing terminals.

From 1958-65, we added 23 new terminals and remodeled countless others. During 1966, terminals were opened for service at Indianapolis, Indiana; Charleston, South Carolina; Dothan, Alabama; Greenville, South Carolina; Austin, Texas; Lincoln, Nebraska; Eau Claire, Wisconsin, and Santa Cruz, California.

New bus terminals are to be opened this year at Kansas City, Missouri; Los Angeles, California; Colorado Springs, Colorado; Florence, South Carolina; Columbus, Georgia; Paducah, Kentucky; Tallahassee, Florida; Fort Knox, Kentucky; Anniston, Alabama, and Owensboro, Kentucky. The Los Angeles terminal will be Greyhound's largest.

Terminals were remodeled last year at San Francisco, California; Memphis, Tennessee; Jacksonville, Florida; Birmingham, Alabama; Columbia and Joplin, Missouri; Santa Fe, New Mexico; Columbus, Ohio; Erie, Pennsylvania, and Baltimore, Maryland.

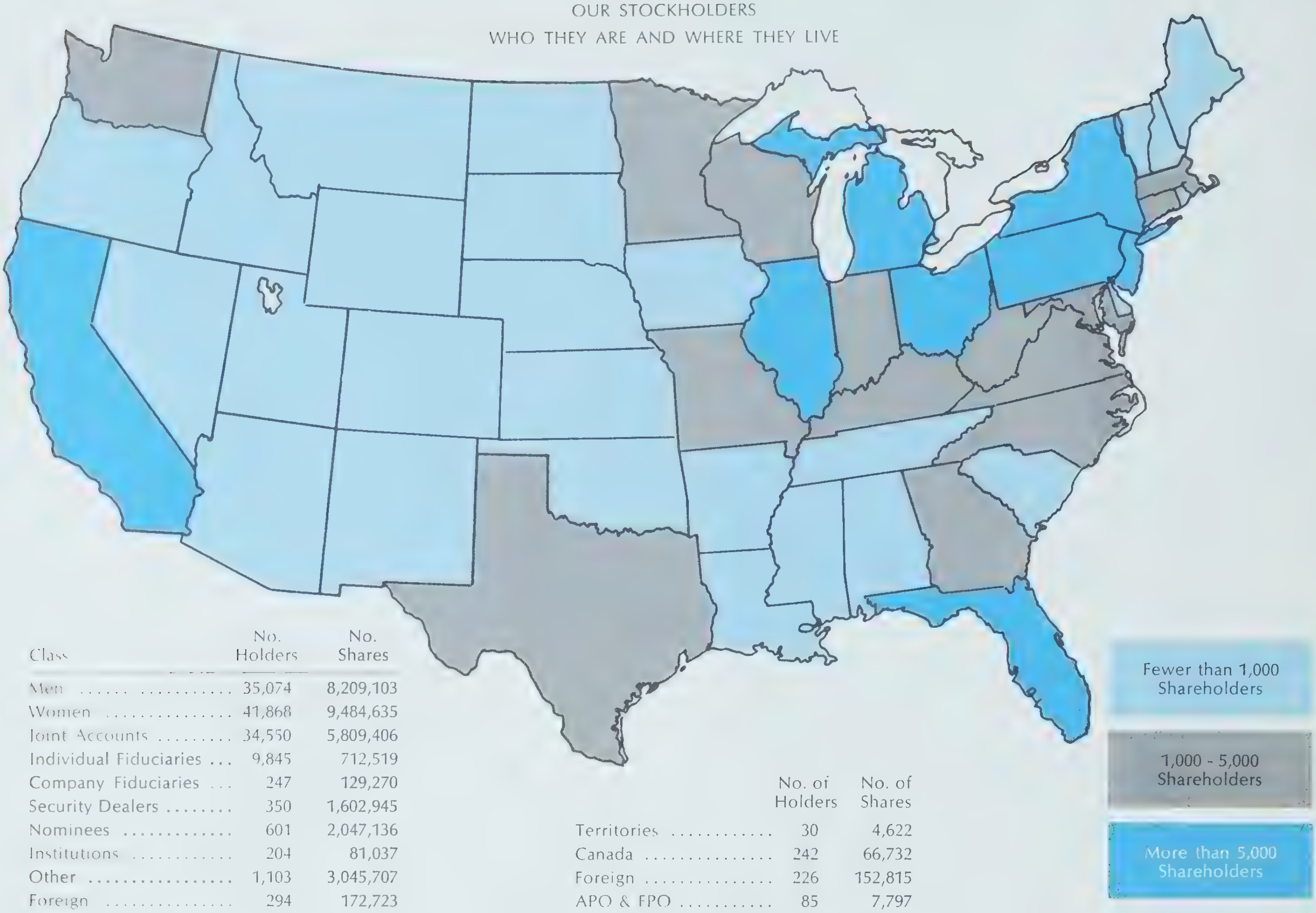
Remodeling or construction of new terminals in 1967 is set for numerous locations, including: Dayton, Ohio; Fort Wayne, Indiana; Flint, Michigan; Chicago, Illinois; Dallas and Fort Worth, Texas; Albuquerque, New Mexico; Montgomery, Alabama; Baton Rouge, Louisiana, and Portland, Oregon.

Construction was completed in 1966 on a multi-million-dollar bus garage in Chicago. A $12 million garage now under construction in New York City will be one of our most important.

Installation in 1966 of a message center and computer operation links 200 cities across the nation by 37,000 miles of private teletype. This communications system will enable your company to determine quickly the location and availability of every one of our more than 5,000 buses.

(text continued on Page 24)

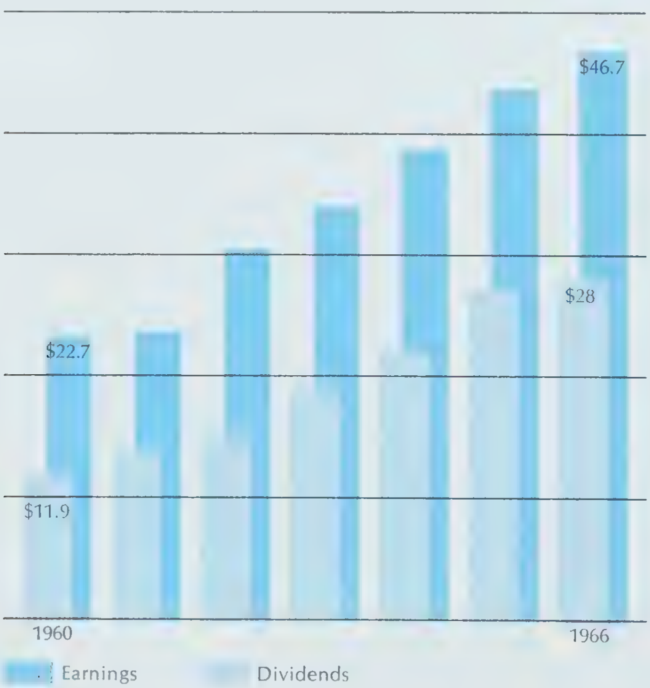
OUR STOCKHOLDERS
WHO THEY ARE AND WHERE THEY LIVE



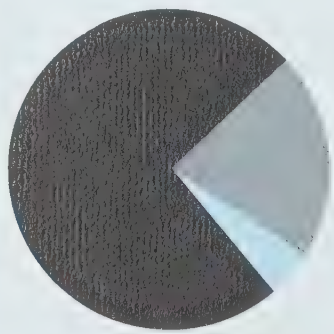
Clas<	No. Holders	No. Shares
Men	35,074	8,209,103
Women	41,868	9,484,635
Joint Accounts	34,550	5,809,406
Individual Fiduciaries	9,845	712,519
Company Fiduciaries	247	129,270
Security Dealers	350	1,602,945
Nominees	601	2,047,136
Institutions	204	81,037
Other	1,103	3,045,707
Foreign	294	172,723

	No. of Holders	No. of Shares
Territories	30	4,622
Canada	242	66,732
Foreign	226	152,815
APO & FPO	85	7,797

EARNINGS AND DIVIDENDS
(1960-1966)



GREYHOUND REVENUE DOLLAR – 1966



Where it comes from

Transportation Services	$404,752,151	74.1%
Food Services	115,777,115	21.2%
Financial Services and Other	25,366,402	4.7%
Total	$545,895,668	100.0%

Where it goes

Employee Wages and Benefits	$247,964,969	45.4%
Other Operating Expenses (depreciation, maintenance, fuel, etc.)	184,129,402	33.7%
Federal, State and Local Taxes	67,078,115	12.3%
Distribution to Stockholders– Dividends	29,488,896	5.4%
Net Income Retained for Expansion	17,234,286	3.2%
Total	$545,895,668	100.0%

Auditors' Report

To the Stockholders and Board of Directors
of The Greyhound Corporation:

We have examined the accompanying statement of consolidated financial condition of The Greyhound Corporation and consolidated subsidiaries as of December 31, 1966, and the related statements of income, retained income, capital surplus, and source and use of funds for the year then ended. We have also examined the accompanying statement of consolidated financial condition of Greyhound Leasing & Financial Corporation and subsidiaries as of December 31, 1966, and the related statement of income and retained income for the year then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the consolidated financial position of The Greyhound Corporation and consolidated subsidiaries at December 31, 1966, and the consolidated financial position of Greyhound Leasing & Financial Corporation and subsidiaries at December 31, 1966, and the respective results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, restated for a change in accounting, (which we approve) as explained in Note A to the financial statements. Further, it is our opinion that the statement of consolidated source and use of funds of The Greyhound Corporation and consolidated subsidiaries presents fairly the information therein set forth.

Touche, Ross, Bailey & Smart

Chicago, Illinois
February 23, 1967

TOUCHE, ROSS, BAILEY & SMART

Statement of Consolidated Financial Condition

	December 31 1966	December 31 1965
ASSETS		
CURRENT ASSETS:		
Cash	$ 24,595,931	$ 21,810,893
Marketable securities—at cost (approximates market)	28,973,503	37,219,642
Advances—Greyhound Leasing & Financial Corporation	34,875,078	12,430,847
Receivables	34,767,610	28,251,175
Repair parts and other inventories	13,264,583	11,840,238
Prepaid expenses	4,655,154	4,071,579
TOTAL CURRENT ASSETS	$141,131,859	$115,624,374
CASH AND MARKETABLE SECURITIES—at cost, segregated in amounts equal to insurance reserves	21,391,524	21,954,045
PROPERTY AND EQUIPMENT—at cost:		
Buses	$214,406,681	$201,586,632
Less depreciation	124,415,557	117,417,994
	$ 89,991,124	$ 84,168,638
Land	$ 37,033,403	$ 36,169,632
Buildings and leasehold improvements	110,270,666	97,100,293
Other equipment	41,510,825	37,980,336
	$188,814,894	$171,250,261
Less depreciation	59,561,553	54,952,321
	$129,253,341	$116,297,940
	$219,244,465	$200,466,578
INVESTMENTS AND ADVANCES:		
Greyhound Leasing & Financial Corporation at underlying equity (includes subordinated notes of $20,000,000)	$ 46,760,818	$ 33,883,681
Other investments and advances	10,190,404	9,580,810
	$ 56,951,222	$ 43,464,491
INTANGIBLES	5,453,225	5,523,603
	$444,172,295	$387,033,091

See notes to financial statements.

LIABILITIES AND STOCKHOLDERS' EQUITY	December 31 1966	1965
CURRENT LIABILITIES:		
Short-term notes payable	$ 21,344,000	$ —
Accounts payable and accrued expenses	36,960,529	28,930,941
Salaries and wages	14,442,227	12,780,230
Dividends	7,117,843	7,115,287
Federal income and other taxes	11,133,776	19,676,704
Unearned insurance premiums	4,950,012	4,880,138
Portion of long-term obligations due within one year	2,567,047	3,403,862
	$ 98,515,434	$ 76,787,162
LONG-TERM OBLIGATIONS, less amounts due within one year, included above (Note B):		
4¾% Notes, Series A and B—due in annual installments to July 15, 1975	$ 10,457,000	$ 11,837,000
4⅝% Notes—due in annual installments November 15, 1970 to May 15, 1984	35,000,000	35,000,000
Other long-term obligations, principally real estate mortgages	28,653,637	17,066,386
	$ 74,110,637	$ 63,903,386
RESERVES AND DEFERRED ITEMS:		
Insurance reserves	$ 21,391,524	$ 21,954,045
Deferred federal income taxes	9,890,743	8,585,026
Minority interests in subsidiaries	5,629,350	5,135,955
	$ 36,911,617	$ 35,675,026
STOCKHOLDERS' EQUITY:		
Capital stock:		
Cumulative preference, convertible, 4½%, par value $50 per share, authorized 20,842 shares (7,091 shares converted and not reissuable), issued and outstanding 13,751 shares (1966)	$ 687,550	$ 1,042,100
Second cumulative preference, convertible, 3%, par value $100 per share, authorized 146,000 shares (9,460 shares converted and not reissuable), issued and outstanding 135,754 shares (1966)	$ 13,575,400	14,486,800
Common, par value $1.50 per share, authorized 36,000,000 shares, issued 31,330,948 shares (1966) (Note D)	46,996,422	46,903,167
	$ 61,259,372	$ 62,432,067
Capital surplus	64,408,678	57,458,020
Retained income (Note B)	109,287,657	91,037,769
	$234,955,707	$210,927,856
Less 214,067 shares of common stock in treasury (1966), at par	321,100	260,339
	$234,634,607	$210,667,517
	$444,172,295	$387,033,091

See notes to financial statements.

Consolidated Income Statement

	Year ended December 31 1966	1965
REVENUES:		
Transportation:		
Passenger	$305,381,786	$297,447,148
Package express	39,371,952	38,081,819
Charter and other	29,543,886	27,994,543
Household moving and storage	20,746,029	15,970,082
Sightseeing, tours and bus manufacturing	9,708,498	7,636,386
	$404,752,151	$387,129,978
Food services	115,777,115	105,118,213
Insurance	11,974,234	10,438,319
Money orders	6,339,526	5,919,589
Dividends and interest	7,052,642	4,689,801
	$545,895,668	$513,295,900
EXPENSES AND MINORITY INTERESTS:		
Operating costs and expenses	$444,915,643	$414,934,189
Depreciation	21,517,329	20,979,672
Interest	4,913,197	3,230,996
Net income applicable to minority interests	1,240,732	985,776
	$472,586,901	$440,130,633
INCOME BEFORE INCOME TAXES	$ 73,308,767	$ 73,165,267
PROVISION FOR INCOME TAXES	32,802,000	33,863,000
NET INCOME OF THE CORPORATION AND CONSOLIDATED SUBSIDIARIES	$ 40,506,767	$ 39,302,267
NET INCOME OF GREYHOUND LEASING & FINANCIAL CORPORATION AND SUBSIDIARIES (Note A)	6,216,415	4,127,068
NET INCOME FOR THE YEAR	$ 46,723,182	$ 43,429,335
Net income per share of common stock	$1.49	$1.38

See notes to financial statements.

Consolidated Retained Income

	Year ended December 31 1966	1965
BALANCE, January 1:		
As previously reported to stockholders	$ 89,227,857	$ 66,892,389
Retroactive change in accounting for computer leases by leasing subsidiary (Note A)	1,809,912	473,665
As revised	$ 91,037,769	$ 67,366,054
NET INCOME FOR THE YEAR	46,723,182	43,429,335
SPECIAL CREDIT—net gain on sale of property		7,774,998
	$137,760,951	$118,570,387
DEDUCT:		
Dividend appropriations:		
$4\frac{1}{2}\%$ Preference stock—$2.25 per share	$ 39,916	$ 50,816
3% Second preference stock—$3.00 per share (1966); $.75 per quarter from date of issuance (1965)	419,825	216,281
Common stock—$.90 per share (1966); $.87½ per share (1965)	28,013,553	27,192,889
Miscellaneous charges		72,632
	$ 28,473,294	$ 27,532,618
BALANCE, December 31	$109,287,657	$ 91,037,769

Consolidated Capital Surplus

	Year ended December 31 1966	1965
BALANCE, January 1	$ 57,458,020	$ 58,466,604
ADD:		
Increase resulting from public offering of common stock of G C Computer Corporation	6,660,722	
Excess of proceeds over par value of common stock:		
Issued on conversion of preference stock	1,220,958	363,116
Sold under stock option plan	187,742	287,797
	$ 65,527,442	$ 59,117,517
DEDUCT:		
Excess of cost over par value of common shares acquired for treasury	$ 1,118,764	$ 1,537,849
Miscellaneous charges		121,648
	$ 1,118,764	$ 1,659,497
BALANCE, December 31	$ 64,408,678	$ 57,458,020

See notes to financial statements.

Consolidated Source and Use of Funds

Year ended December 31, 1966

SOURCE OF FUNDS:	
From operations:	
Net income of the Corporation and consolidated subsidiaries	$ 40,506,767
Minority interest portion of net income	1,240,732
Depreciation—not requiring use of funds:	
Buses	14,792,042
Other property and equipment	6,725,287
Total from operations	$ 63,264,828
Sale of short-term notes	21,344,000
Property financing	13,082,861
Disposals of property and equipment	6,243,081
Exercise of stock options	224,040
Increase in deferred federal income taxes	1,305,717
	$105,464,527
USE OF FUNDS:	
Expenditures for property and equipment:	
Buses	$ 25,457,891
Other property	20,870,506
	$ 46,328,397
Dividends	28,473,294
Increase in advances to Greyhound Leasing & Financial Corporation	22,444,231
Increase in receivables	6,516,435
Payment of long-term obligations	3,712,425
Purchase of capital stock for treasury	1,217,530
Other items—net	2,233,316
	$110,925,628
DECREASE IN CASH AND MARKETABLE SECURITIES	$ 5,461,101

See notes to financial statements.

Notes To Financial Statements

Year ended December 31, 1966

Note A—Accounting Principles

The accompanying financial statements for 1965, presented herein for comparative purposes, have been revised to reflect the change in the method of accounting for computer rental equipment as set forth in Note A to the separate consolidated financial statements of Greyhound Leasing & Financial Corporation included elsewhere in this report. The effect of the change was to increase net income over that previously reported in the Corporation's annual reports to stockholders by $1,336,247 for 1965 and $473,665 for periods prior to 1965.

The financial statements are presented in conformity with generally accepted accounting principles; however, they differ in some respects from the reports filed with the Interstate Commerce Commission, in accordance with its prescribed uniform system of accounts. The principal differences result from the accounting for depreciation, insurance claims, and investment tax credit. The regulations of the Interstate Commerce Commission require that the amount of federal income tax payable each year be charged to income, whereas consideration of future tax effects has been given effect to in the accompanying financial statements. The amount of these differences in presentation was not material in 1966.

Note B—Long-term Obligations

Annual installments on long-term obligations during 1968 and 1969 will approximate $2,900,000. Commencing in 1970, prepayments of $2,275,000 are required to be made on the 4⅝% notes in addition to the $2,900,000 installments on other obligations. Interest on real estate mortgages ranges generally from 3.58% to 5.5%, with final maturities extending to 1987. A portion of land and buildings is pledged under these obligations.

The loan agreements place certain restrictions on the payment of cash dividends. Under these provisions, retained income totaling $41,077,519 at December 31, 1966, was not so restricted. Other provisions of the loan agreements include the requirement that consolidated working capital be not less than $10,000,000. At December 31, 1966, consolidated working capital as defined in the agreements was $29,692,415.

Note C—Commitments

Under the terms of a credit agreement with certain banking institutions, the Corporation has agreed to cause Greyhound Leasing to maintain working capital of $1,000,000, as defined, and to lease certain equipment from it, as explained in Note D to the financial statements of Greyhound Leasing included elsewhere in this report.

The Corporation has entered into an agreement to exchange a maximum of 173,686 shares of common stock for a majority interest in the capital stock of Texas, New Mexico and Oklahoma Coaches, Inc. On January 27, 1967, the Interstate Commerce Commission approved the application.

The Interstate Commerce Commission has approved the purchase of a 20% interest in the common stock of Railway Express Agency, Incorporated, for $10,000,000, but the consummation of the transaction has been delayed by litigation.

Note D—Common Stock and Options

Changes in the Corporation's stock option plans during the year are set forth in the following tabulation:

	Number of common shares Reserved	Granted
Balance, January 1, 1966	757,512	413,920
Granted in 1966		356,250
Exercised, at an aggregate price of $224,040	(24,199)	(24,199)
Cancellations	(11,938)	(27,063)
Balance, December 31, 1966	721,375	718,908
Options exercisable at December 31, 1966	91,631	

The options outstanding at December 31, 1966, were granted at prices ranging from $7.36 to $27.50 per share, representing the market price on the respective dates of grant, adjusted for subsequent stock dividends and stock split. Options with respect to 273,783 common shares may be exercised in installments over a period of eight years after a waiting period of two years from the date of grant. Options with respect to 445,125 common shares may be exercised in installments over a period of four years after a waiting period of one year from the date of grant.

The outstanding shares of 4½% cumulative preference stock and 3% second cumulative preference stock are convertible into a maximum of 507,651 shares of common stock.

Note E—Retirement Plans

The Corporation has contributory retirement and disability plans for the majority of its employees. The plans generally provide for the funding of basic benefits under group annuity contracts; the cost of disability and supplemental benefits are funded under Trusts. The contributions of the Corporation under these plans totaled $11,400,000 in 1966 and $11,800,000 in 1965.

Note F—Litigation

The Corporation, Greyhound Leasing, its subsidiary GC Computer Corporation, and certain related persons, are defendants in three separate lawsuits filed in Federal District Court in the states of Ohio and New York by alleged purchasers of units of common stock and debentures of GC Computer offered to the public on August 17, 1966. These suits are based primarily upon alleged violations of the Securities Act of 1933 and the Securities Exchange Act of 1934 in connection with such public offering. All three suits are class actions and seek compensatory and punitive monetary damages in substantial amounts. Counsel who represented GC Computer in connection with the public offering have advised the Corporation that, in their opinion, these actions can be successfully defended.

Statement of Consolidated Financial Condition

ASSETS	December 31 1966	1965
CASH AND SHORT-TERM INVESTMENTS (Note E)	$ 20,892,010	$ 7,413,399
EQUIPMENT LEASES AND OTHER CONTRACTS RECEIVABLE, due in installments to 1981 ($52,907,574 (1966), $42,195,396 (1965) due within one year) (Note E)	$286,685,718	$233,915,599
Less:		
Unearned income	75,133,370	59,562,533
Allowance for possible losses	2,900,848	1,570,046
	$208,651,500	$172,783,020
EQUIPMENT AND OTHER PROPERTY (Notes A, C and E):		
On rental:		
Equipment (except computers) and other property—at cost, less amortization over lease terms:		
Payout leases	$ 36,657,097	$ 27,124,006
Partial payout leases	88,748,841	44,983,304
	$125,405,938	$ 72,107,310
Computer equipment—at cost, less accumulated depreciation	51,051,099	36,798,469
Rental contracts in process—at cost	3,278,505	17,937,456
	$179,735,542	$126,843,235
INVESTMENTS AND ADVANCES	2,973,490	1,077,242
OTHER ASSETS AND DEFERRED CHARGES	2,190,998	686,909
	$414,443,540	$308,803,805

See notes to financial statements.

LIABILITIES AND STOCKHOLDER'S EQUITY	December 31 1966	1965
SHORT-TERM LIABILITIES:		
Accounts payable and accruals	$ 3,487,448	$ 1,932,322
Accounts payable—equipment	4,910,440	6,736,261
Loans payable to banks. (Note D)	108,009,800	125,000,000
Net advances—The Greyhound Corporation	34,875,078	12,430,847
Long-term obligations due within one year	10,730,896	6,659,545
	$162,013,662	$152,758,975
LONG-TERM OBLIGATIONS, less amounts due within one year included above (Note E):		
Senior debt	$107,459,638	$ 81,850,680
Subordinated debt	66,250,000	23,500,000
	$173,709,638	$105,350,680
DEFERRED ITEMS:		
Rental income	$ 3,417,967	$ 1,971,371
Lease rental deposits	4,478,062	5,114,873
Investment tax credit (Note F)	17,544,236	13,954,916
Federal income taxes	23,709,942	15,769,309
	$ 49,150,207	$ 36,810,469
MINORITY INTEREST IN G C COMPUTER CORPORATION (Note B)	2,809,215	
STOCKHOLDER'S EQUITY:		
Common stock, no par value; authorized 750,000 shares; issued and outstanding 367,671 shares	$ 3,806,307	$ 3,806,307
Capital surplus (Note B)	6,660,722	
Retained income (Note E)	16,293,789	10,077,374
	$ 26,760,818	$ 13,883,681
	$414,443,540	$308,803,805

See notes to financial statements.

Consolidated Income and Retained Income

	Year ended December 31 1966	1965
INCOME (Notes A and F):		
Earned income from leases and interest	$28,317,538	$16,302,809
Investment tax credit	3,358,317	1,087,250
	$31,675,855	$17,390,059
COSTS AND EXPENSES:		
Interest ($4,851,445 in 1966 and $2,692,960 in 1965, to The Greyhound Corporation)....	$18,233,462	$ 7,642,796
General and administrative	4,185,785	2,811,195
Net income applicable to minority interest in GC Computer Corporation............	205,982	
	$22,625,229	$10,453,991
INCOME BEFORE FEDERAL INCOME TAXES....	$ 9,050,626	$ 6,936,068
FEDERAL INCOME TAXES:		
Current	$ 1,013,000	$ —
Deferred	1,821,211	2,809,000
	$ 2,834,211	$ 2,809,000
NET INCOME	$ 6,216,415	$ 4,127,068
RETAINED INCOME: January 1:		
As previously reported	$ 8,267,462	$ 5,476,641
Retroactive change in accounting for computer leases (Note A)..........	1,809,912	473,665
As revised	$10,077,374	$ 5,950,306
December 31 (Note E)....................	$16,293,789	$10,077,374

See notes to financial statements.

Notes To Financial Statements

Year ended December 31, 1966

Note A—Accounting Policies for Leases

The Corporation accounts for all its leases except computer equipment leases as follows—rentals receivable and unearned income (representing the difference between rentals receivable and the sum of the cost of related rental equipment and other property, commissions, and direct expenses, less net carrying amount at end of lease terms) are recorded when lease contracts become effective. The unearned income is generally taken into earnings on a declining basis over the life of the related lease. General and administrative expenses incident to consummating and recording leases are charged to expense when incurred. No part of rental income to offset these expenses is taken into earnings at the time the leases are recorded.

Computer rental equipment is carried at cost less accumulated depreciation. Rentals, including overtime rentals, are generally recorded as income when billed under lease contracts except for certain leases where rental amounts decrease significantly over optional renewal periods. For those leases where rental amounts (if renewal options are exercised) would be less than direct costs (depreciation, commissions, property taxes, insurance and maintenance), revenue is deferred in the earlier periods of the lease to cover the difference between rental amounts and direct costs. Income from computer leases is stated net of depreciation ($7,714,254 in 1966 and $6,679,043 in 1965) and other direct costs.

Prior to 1966, the Corporation accounted for computer leases using a similar method as for other leases.
In 1966, the method of accounting for computer leases was retroactively changed to the method stated above. In addition, the estimated useful lives of the equipment were increased over those previously used. The combined effect of these changes increased net income by $1,336,247 in 1965, and $473,665 for periods prior to 1965. The financial statements for 1965 have been restated for these changes.

For federal income tax purposes, lease rentals, amortization and depreciation of rental equipment and other property costs, and certain other items are reported on bases which differ from the financial reporting bases. Provision has been made for deferred federal income taxes relating to the difference between income reported for tax purposes (included in the consolidated federal income tax return of The Greyhound Corporation and subsidiaries) and that reported herein.

Note B—GC Computer Corporation

In June 1966, the Corporation formed a subsidiary, GC Computer Corporation, and exchanged its computer leasing operations and certain assets and liabilities for 3,200,000 shares of GC common stock. Subsequently, GC sold 500,000 shares of its common stock and $25,000,000 of 6% convertible subordinated debentures to the public, reducing Greyhound Leasing's ownership to 86.5%. Greyhound Leasing's equity ($6,660,722) of the proceeds in excess of par value received from the sale of the 500,000 shares was credited to capital surplus.

The debentures are convertible into common stock of GC after July 31, 1967, at $23 per share. If all of the debentures outstanding at December 31, 1966, were converted into 1,086,957 shares of GC common stock, Greyhound Leasing's ownership would be reduced to 66.8%; its equity in the underlying net assets of GC would increase approximately $12,600,000; and its equity in net income for the six months ended December 31, 1966, would decrease approximately $300,000.

Note C—Equipment and Other Property on Rental

Equipment (except computers) and other property on rental stated at cost, less amortization over lease terms, are covered by lease contracts of two basic types:

	Original cost	Unamortized cost at end of lease term
Payout leases	$275,354,990	$ 36,657,097
Partial payout leases, principally aircraft ...	121,108,174	88,748,841
	$396,463,164	$125,405,938

Payout leases are those where the Corporation receives as rent an amount equal to or greater than the equipment cost over the initial lease term. On partial payout leases, rents received in the initial lease term are less than equipment cost. The unamortized cost under each type of lease contract represents the cost of the equipment reduced by estimated amortization applicable to the lease periods. In the opinion of management, both types of lease will be renewed, or the equipment sold or re-leased, at the end of lease periods at amounts sufficient to recover remaining unamortized cost.

Computer rental equipment is stated at cost less accumulated depreciation as set forth below:

Type of equipment	Cost	Cost, less accumulated depreciation
IBM Series 1400 and 7000	$47,293,738	$29,100,496
IBM System/360	20,201,321	19,402,736
Other computer equipment	5,639,002	2,547,867
	$73,134,061	$51,051,099

Such equipment is leased for initial periods of generally one to three years, and is depreciated on a straight-line basis over its estimated useful life, which is eight to ten years for the majority of the equipment.

Note D—Loans Payable to Banks

Short-term loans payable to banks are borrowed under lines of credit of the Corporation and its subsidiaries aggregating $177,000,000. Under the terms of one-year agreements relating to most lines of credit, the Corporation is required to maintain, and The Greyhound Corporation has agreed to cause the Corporation to maintain, $1,000,000 of working capital as defined. The Corporation met this requirement at December 31, 1966. The lines of credit are generally expected to be renewed at maturity.

In order to meet the borrowing ratio requirements established under the bank credit agreement, The Greyhound Corporation has agreed to lease certain equipment providing for aggregate rentals of $62,000,000 from the Corporation if present partial payout leases are not renewed or the equipment is not leased or sold to others. The Greyhound Corporation has not leased any such equipment at December 31, 1966.

Note E—Long-term Obligations

Long-term obligations include the following:

	December 31 1966	1965
Senior debt:		
Limited recourse installment notes, $4\frac{1}{2}\%$ to $6\frac{3}{4}\%$ interest	$ 86,352,899	$ 68,148,479
Senior secured notes, 6%	9,000,000	10,000,000
Other installment notes and contracts, principally $6\frac{1}{4}\%$ ..	3,964,475	4,435,063
Senior notes, 6%, due 1981....	9,600,000	
Other notes unsecured, principally 6%	9,273,160	5,926,683
	$118,190,534	$ 88,510,225
Less amounts due within one year	10,730,896	6,659,545
	$107,459,638	$ 81,850,680
Subordinated debt:		
6% Convertible subordinated debentures, due 1986	$ 25,000,000	$ —
Senior subordinated notes, $6\frac{1}{2}\%$, due 1981	19,250,000	
Senior subordinated notes, 6%, due 1969	2,000,000	3,500,000
The Greyhound Corporation—capital notes (junior notes, 1965) prime interest rate, due 1981	20,000,000	20,000,000
	$ 66,250,000	$ 23,500,000
	$173,709,638	$105,350,680

Lease contracts receivable aggregating $128,273,301 and the related equipment and property with net carrying amounts of $24,699,915 and short-term investments of $5,650,000 have been assigned or pledged as collateral at December 31, 1966, to the limited recourse installment notes (due in installments to 1981), senior secured notes (due in installments to 1971), and to the other installments, notes and contracts (due in installments to 1972). On the limited recourse installment notes, the lenders have no recourse other than to the assigned and pledged assets aggregating $137,730,829. Aggregate installments on the above long-term obligations due in the next five years are as follows:

Year	Amount
1967	$10,730,896
1968	11,200,864
1969	11,998,761
1970	9,871,137
1971	9,920,481

The agreements pertaining to long-term obligations contain various restrictive covenants and require the maintenance of certain defined financial ratios. At December 31, 1966, retained income of $4,736,419 was unrestricted as to the payment of dividends under the most restrictive provisions of the agreements.

Under an agreement entered into in 1966, the Corporation has a firm commitment from an institutional lender to purchase on November 1, 1967, from the Corporation $5,000,000 in senior notes and $4,000,000 in senior subordinated notes, due in 1981, with interest at 6% and 6½%, respectively.

Note F—Investment Tax Credit

The investment tax credit on rental equipment (except computers) is deferred and amortized by credits to income over the original terms of the leases or eight years, whichever is longer. The investment tax credit recorded prior to 1965 is being amortized on a straight-line basis, while the credit recorded in 1965 and 1966 is being amortized on a declining basis corresponding to the method of reflecting income from leases. The investment tax credit on computer equipment is deferred and amortized by credits to income on a straight-line basis over eight years.

Note G—Commitments

At December 31, 1966, the Board of Directors or officers of the Corporation and its subsidiaries had authorized commitments to enter into leases for equipment costing approximately $42,000,000.

The Corporation was guarantor of loans of a 50%-owned company in the amount of $4,000,000 at December 31, 1966.

Note H—Litigation

In the past, Greyhound Leasing and its subsidiary, GC Computer, have paid and/or accrued commissions on leased equipment pursuant to an agency agreement with Levin-Townsend Computer Corporation and a commission agreement with Levin, Townsend & Co. These agreements were assigned with the consent of all parties to GC Computer as of June 30, 1966. On October 18, 1966, GC Computer gave formal notice to Levin-Townsend Computer Corporation that it considered the agency agreement to have been terminated by Levin-Townsend and to be no longer in effect. In addition, the agreement with Levin, Townsend & Co. was cancelled by GC Computer in accordance with its terms.

On October 25, 1966, a suit was filed in the Superior Court of New Jersey by the other parties to the aforesaid agreements against GC Computer, Greyhound Leasing and certain related persons, which suit asks for a judgment (1) declaring, among other things, that termination of the agreements is invalid and that the agreements remain in full force and effect; (2) compelling the payment of all commissions and other payments which the parties are entitled under the agreements; and further (3) awarding damages.

Based upon advice of special counsel, management believes that the agreements have been terminated and, while the plaintiffs may be entitled to unpaid commissions in accordance with the terms of such agreements for services performed prior to the termination thereof, they will not be successful in reinstating either of said agreements or in any claims for damages based upon termination thereof. In the opinion of management, the payment of the commissions, if any, to which the court may find plaintiffs entitled will not adversely affect the Corporation and its subsidiaries.

The Corporation is named as defendant in the actions described herein in Note F—Litigation, to the financial statements of The Greyhound Corporation.

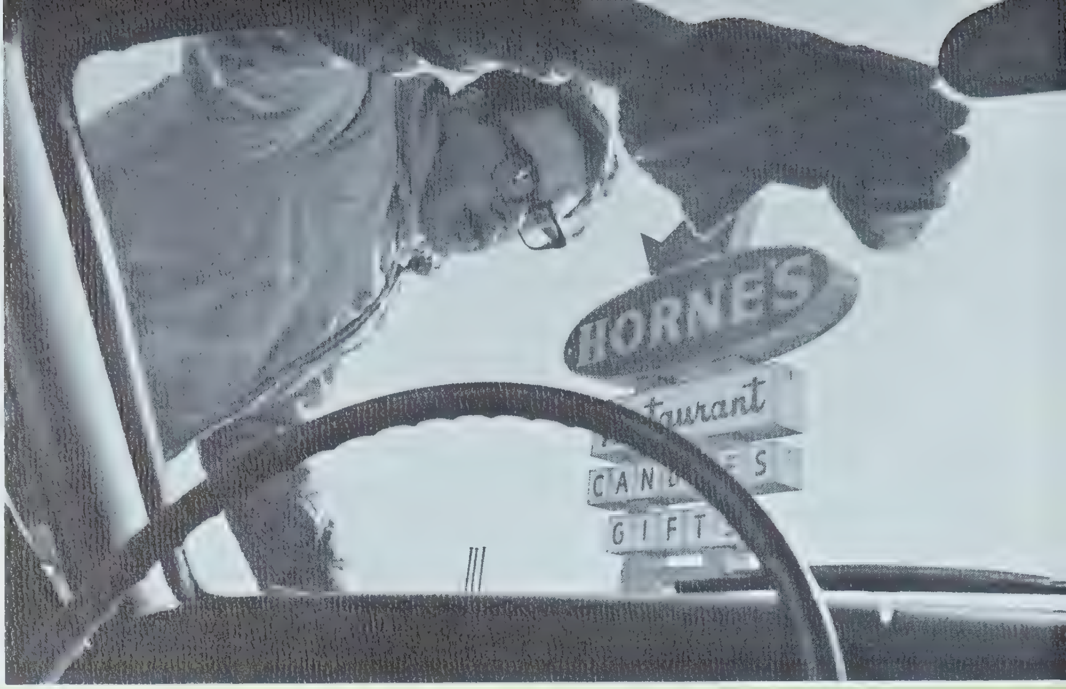
Highlights of Ten Years

STATISTICS IN BRIEF (Dollar data in millions)	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957
REVENUES										
Transportation Services	$404.7	387.1	365.3	349.8	334.4	311.2	302.4	297.9	283.2	273.7
Food Services (2)	$115.8	105.1	94.8	82.8	73.3	59.2	56.2	23.8	22.0	21.7
Financial Services and Other (2)	$ 25.4	21.1	8.2	6.9	6.2	5.3	5.2	1.6	.6	1.2
Total	$545.9	513.3	468.3	439.5	413.9	375.7	363.8	323.3	305.8	296.6
NET INCOME										
Total Dollars (2)	$ 46.7	43.4	38.7	34.3	30.2	23.6	22.7	21.4	14.0	13.4
Per Common Share After Preferred Dividends (1)	$ 1.49	1.38	1.23	1.10	.97	.75	.72	.75	.49	.48
PREFERRED DIVIDEND REQUIREMENTS	$ .5	.5	.6	.8	1.3	1.4	1.5	.4	.5	.4
COMMON DIVIDENDS										
Cash	$ 28.0	27.2	22.1	18.7	14.7	13.9	11.9	11.3	10.8	10.6
Per Share, as Adjusted for Stock Dividends and 1964 2-for-1 Stock Split	$ .90	.875	.725	.645	.515	.49	.425	.405	.395	.395
Stock				5%	5%		10%	5%		
TAXES (2)										
Income	$ 32.8	33.9	31.3	35.3	32.7	24.9	24.3	25.0	15.1	14.4
Other	$ 34.3	30.8	29.2	28.1	27.6	26.6	26.1	23.7	23.6	23.6
Total—Per Common Share	$ 2.10	2.04	1.91	2.05	1.99	1.71	1.68	1.71	1.36	1.36
OTHER STATISTICS										
Number of Stockholders	124,784	115,168	103,705	87,141	84,830	83,664	82,508	79,778	76,057	73,103
Number of Employees (Average)	33,930	32,422	31,807	24,264	24,191	24,236	24,387	24,775	26,542	28,140
Miles of Routes	102,181	100,944	100,434	100,302	101,731	101,068	100,433	101,120	101,711	99,896
Bus Miles Operated (Millions)	535.1	526.1	528.4	513.9	508.0	489.5	481.5	485.5	496.4	517.7
Miles Traveled by Passengers (Billions)	10.7	10.3	10.4	10.2	10.1	9.2	9.3	9.5	9.8	10.1
Buses Owned End of Year	5,422	5,216	5,293	5,171	5,324	5,200	5,214	5,383	5,595	5,931

Per share statistics are based on average number of common shares outstanding.

(1) Earnings per common share for all years have been restated for 1964 stock split and for stock dividends. Net income of companies acquired under pooling principle included for years 1960 to 1965.

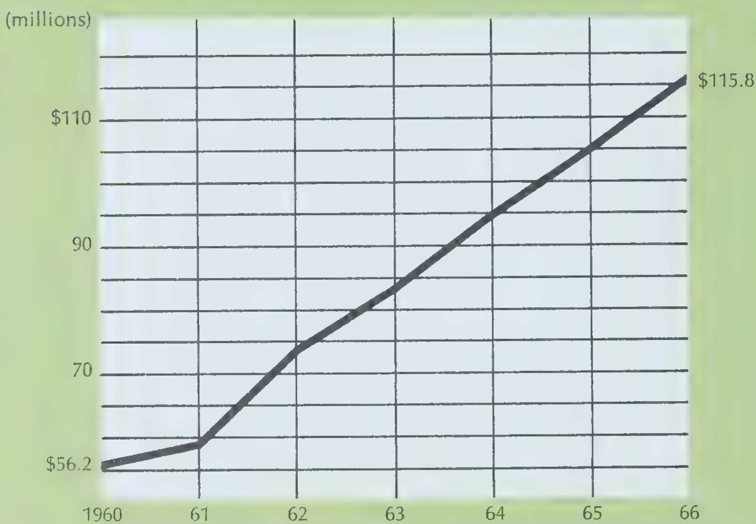
(2) Includes acquired companies years 1960 to 1965 under pooling principle.



Growing in popularity along the Federal Interstate Highway System are Horne's restaurants, with their distinctive yellow roof. Here you'll find fast, friendly one-stop service—food, candy and gifts, plus gasoline and other car care.

TREND OF FOOD REVENUES (1960-1966)

Sales of our food-service firms increased 106 per cent from 1960-6— to $115.8 million.



A nun serves an appetizing Prophet Company-catered meal to patient at St. Joseph Mercy Hospital, Pontiac, Michigan. Prophet also provides food service for homes for the elderly, industry, business and colleges and universities.

Food Services

Greyhound Food Management provides coordination and acts as a management and service umbrella for your company's various food-service firms.

In 1966, food sales reached a record high of $115,777,115, up from $105,118,213 in 1965. Earnings were $3,588,222, down from $3,698,212 in 1965. They showed a slight improvement over the previous year when nonrecurring 1965 food profits from the New York World's Fair are excluded. Profits were held down in 1966 by increased food and labor costs, as well as by a shutdown in the automotive industry, where we have extensive operations. A longer "down" period than usual occurred at model-changeover time. Steps are being taken to more than cover the added costs experienced in 1966, and increased earnings and revenues are anticipated in 1967.

Return on our food sales dollar was substantially increased and management of our food operations improved when we created Greyhound Food Management.

It provides centralized management control and services. The central office coordinates policy for the food companies, and provides central purchasing, engineering, accounting, labor relations, auditing, legal, merchandising and test-kitchen facilities. It introduced increased professionalism during 1966 into its food research and development as well as its management development.

Business Added

Prophet Company in 1966 increased its business to industry, commercial accounts, colleges and universities and hospitals.

It added division offices at Dallas, Texas, and Miami, Florida. The offices should enable Prophet Company to supervise existing operations better, and to develop new business. Prophet operated in 300 locations during 1966, among them several public restaurants: Polly Davis cafeterias, primarily in Atlanta, Georgia, and in Florida, and Monte's restaurants in Detroit, Cincinnati and Indianapolis. Progress was made overseas in connection with Prophet's Belgium-based consulting, engineering and food-service operations. They are conducted by Restaura, S.A., in conjunction with Au Bon Marche, a large European merchandising organization.

Expand Red Roof Restaurants

Post Houses, Inc., our original food firm, now operating restaurants at nearly 120 locations, had an outstanding year in 1966. It remodeled nearly 40 restaurants and opened restaurants in new bus terminals in Indianapolis, Indiana; Sacramento, California, and Austin, Texas. During 1966 we opened our third "I-Highway" restaurant —a restaurant with an attention-getting red roof, located along the Federal Interstate Highway System. The new restaurant is at Battle Creek, Michigan. The first two were built at Findlay, Ohio, and Columbia, Missouri. Early this year, we opened another one near Wisconsin Dells, Wisconsin. Distinctive I-Highway restaurants will be built during 1967 at Sikeston, Missouri, and Cambridge, Ohio.

Post Houses operates gift shops, newsstands and game rooms, as well as restaurants, most of which are in Greyhound bus terminals. The company has restaurants at St. Louis, Denver and Seattle that appeal to the general public as well as to travelers. And Post Houses operates the first rooftop restaurant in Pittsburgh—Top of the Towers—that continues to do well.

Four New Units Built

Horne's Enterprises, Inc., continued in 1966 to attract travelers along the nation's highways with its eye-catching yellow-roofed units. Your management believes 1966 further solidified Horne's reputation as a provider of quality one-stop service for the traveler: tasty food economically priced, gift merchandise, lodging and gasoline for cars.

Horne's opened four new units in 1966. Three of them included motor lodges that are franchised according to our standards of excellence. A new unit that includes a franchised lodge was opened early this year at Fredericksburg, Virginia, giving us a total of 69 Horne's locations. Using revised, stronger criteria for locating new units, your company plans to open several Horne's restaurants, some with franchised motor lodges, in 1967. Seven new units now are under construction or building on them is to start soon.

This rapidly growing area of Greyhound's business is comprised of three companies:

- Greyhound Leasing & Financial Corporation, whose 1966 earnings increased 50.6 per cent to $6,216,415, up from $4,127,068 in 1965.

Among its equipment leases are jet aircraft, railroad freight cars and locomotives and chemical barges.

- General Fire & Casualty Company, whose earnings were up 45.9 per cent to $1,052,664. This compares to $721,291 earned in 1965.
- Travelers Express Company, whose net was up 23.9 per cent to $744,952 from $601,333 a year earlier. Value of the money orders sold in 1966 reached a record $912 million, up from $800 million in 1965.

Greyhound Leasing, our industrial-leasing subsidiary, had an outstanding year in 1966 despite the problems of tight money and increased interest costs.

The world's largest industrial-leasing company had a successful year not only in its leasing operations in the United States, but in Canada and western Europe as well. New equipment acquired amounted to $144 million. Backlog of orders at year's end totaled $37 million.

Computer Company Created

In June 1966, all of Greyhound Leasing's computer assets and operations were transferred to a new subsidiary, GC Computer Corporation, which in August sold $10 million of common stock and $25 million of 20-year convertible subordinated debentures.

To provide necessary funds for growth, GC Computer arranged early in 1967 for lines of credit with a group of banks headed by the Bank of America. At February 17, 1967, the company had $18.2 million of lines available and anticipates obtaining additional lines as the year progresses. GC Computer now specializes in the purchase and lease of IBM System/360 computers. It also has a sizeable investment in IBM 1400 and 7000 series computer equipment that it acquired during 1962-5. Computer lessees include many of the largest corporations in the United States involved in aerospace, automotive, communications, petroleum and other activities, as well as agencies of the Federal Government. The computer equipment owned by GC Computer and used by these lessees had an initial cost of more than $73 million.

Demand for Leasing

Main concern of Greyhound Leasing during 1966 was the development of sufficient credit to finance the backlog of equipment being delivered in 1966 and 1967 to permit expansion of existing business. In this year of tight money, there was great demand for leasing services. Greyhound Leasing's ability to undertake transactions was limited primarily by financing considerations. On May 1, 1966, the company arranged a $156 million line of credit with 28 banks. In addition, both senior and subordinated long-term loans from a group of institutional investors were closed December 15, 1966, involving $14.6 million of 15-year senior notes and $23¹/₄ million of 15-year subordinated notes.

Travel Insurance Introduced

General Fire & Casualty Company is authorized to write various types of insurance in all 50 states, the District of Columbia and eight provinces of Canada.

In 1966, Greyhound's fire and casualty company added a travel-accident policy to its regular lines of insurance. "Tour-Master" insurance protects travelers round-the-clock for up to 180 days. French and Spanish versions of the policy are offered in U. S. border towns. We hope to sell the policy soon in Mexico and the Bahamas.

The travel insurance is offered our bus passengers in Greyhound terminals and in major travel and other tour bureaus in key cities throughout North America. To date, sales of travel-accident policies have been highly gratifying.

Your company's insurance subsidiary also has concluded arrangements with National Car Rental System, Inc., to provide "Drive-Master" travel-accident insurance nationally to car renters. We believe this program will generate additional revenues and earnings for General Fire & Casualty Company.

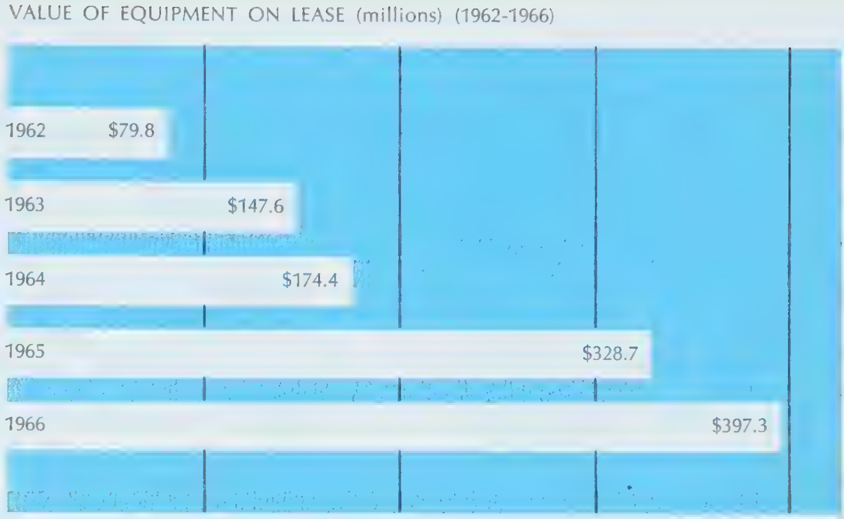
General Fire's business increased in 1966 over the preceding year. The subsidiary added $1.1 million to our earnings last year—almost one and a half times its 1965 profit. We are proud that our insurance company produces a profit on the insurance it writes—as well as on its investments.

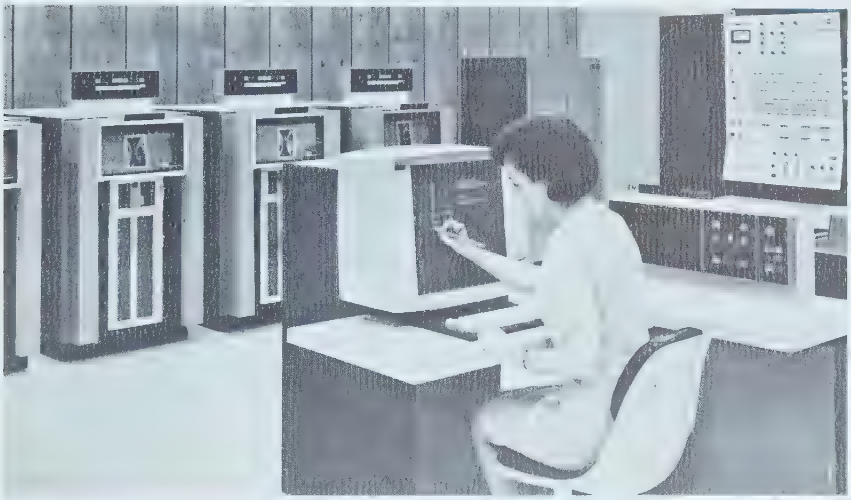
Travelers Year Outstanding

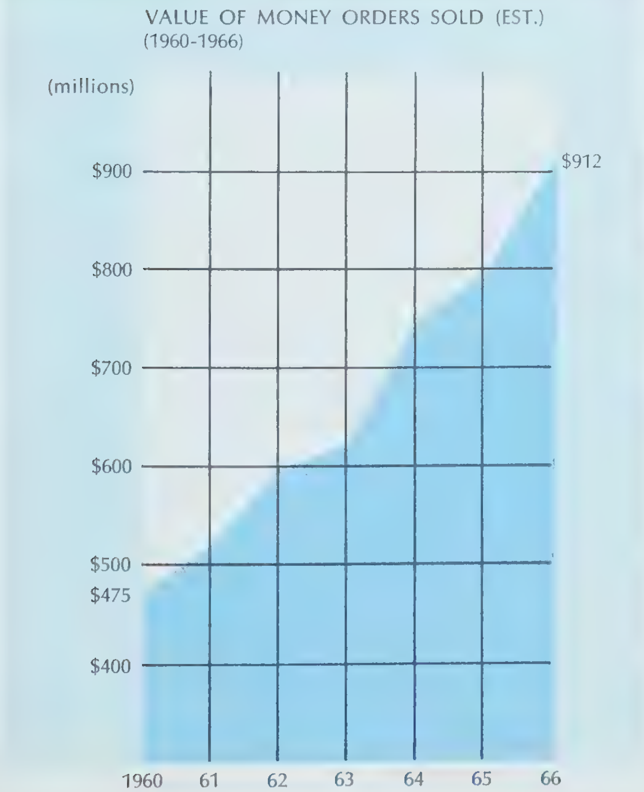
Travelers Express Company completed its first full year in 1966 as a Greyhound subsidiary. The year was outstanding in every way. Travelers is the nation's second-largest money order firm, providing the public with a convenient method for paying bills and transmitting funds.

More than 37 million Travelers' money orders were sold in 1966 in 48 states—through more than 14,800 retail merchants such as drug stores, grocery stores and super markets.

The money orders also are sold in more than 700 Greyhound outlets such as company-owned terminals, commission agencies and Post House locations.







1 A bank of computers of the type leased by GC Computer Corporation to business and industry and the Federal Government.
2 Data-processed insurance policies get a final inspection by clerk in General Fire & Casualty Company offices.
3 A Greyhound Leasing-owned refrigerated chemical barge transports a fertilizer company's anhydrous ammonia.

FUTURE FOR THE ACTION COMPANY

Greyhound, following a policy recommended by Mr. Ackerman and adopted in 1961 by the Board of Directors, has diversified into various fields. All of them are related to Greyhound's important attributes: widespread exposure to the public, and a substantial cash flow.

Constant, close attention is being given to aggressive selling of our many services, and development of new business. And economies of operation constantly are being effected throughout the company—in our food business, for instance, where general services such as accounting, research and engineering can be provided by one staff for several food companies.

Studies were made during 1966 of how we can make greater use of electronic data processing—to control and reduce costs and to improve our service to the public. For example, we anticipate better control of bus passengers' baggage and of scheduling of buses.

Increased population and this country's continued economic growth in the years to come will contribute to a greater market for our bus operations, our money orders, our travel and other insurance, our food service, our household moving. Extension of our related activities into Greyhound's many thousands of outlets with their huge business potential promises even more sales for us.

Potential Is Vast

In all of Greyhound's services, the outlook is excellent. In our bus operations, especially, which form the foundation for Greyhound's future growth, our potential is vast. Backbone of our bus business now and for the future is our ability to provide a high-grade, much-needed service for persons taking medium-distance trips, and for the sightseeing, pleasure traveler going longer distances.

In this era of the growing travel market, many persons, most of whom go Greyhound for personal and pleasure reasons, live in communities served only by your company. Even where other forms of transportation are available, Greyhound competes well with airlines and railroads in the 350-mile range and under. Especially successful has been our service between pairs of cities—fast, frequent trips on modern buses.

A year from now, Greyhound will add to its appeal to travelers by introducing a new bus. Being road-tested this spring, it will be the newest bus on the highway. It will have a host of passenger-pleasing features, and should enable us to carry more passengers with greater operating efficiency. This will mean a larger potential profit for your company. The new bus will have twice the package express space of many of our present buses.

A great potential market for bus service exists in the private-car passenger. Many billions of dollars are spent every year on travel by private car. Despite competition from airlines, we have succeeded in attracting passengers away from their cars and onto our buses.

Since we are the only company with truly nationwide operations, Greyhound stands to benefit most from the overall growth we foresee in intercity bus usage. Only Greyhound has the franchise to serve some 40,000 communities throughout the United States and Canada.

Increased leisure time of Americans and more disposable income, plus population growth—all are favorable factors as well for our tour and sightseeing operations, which we expanded during 1966.

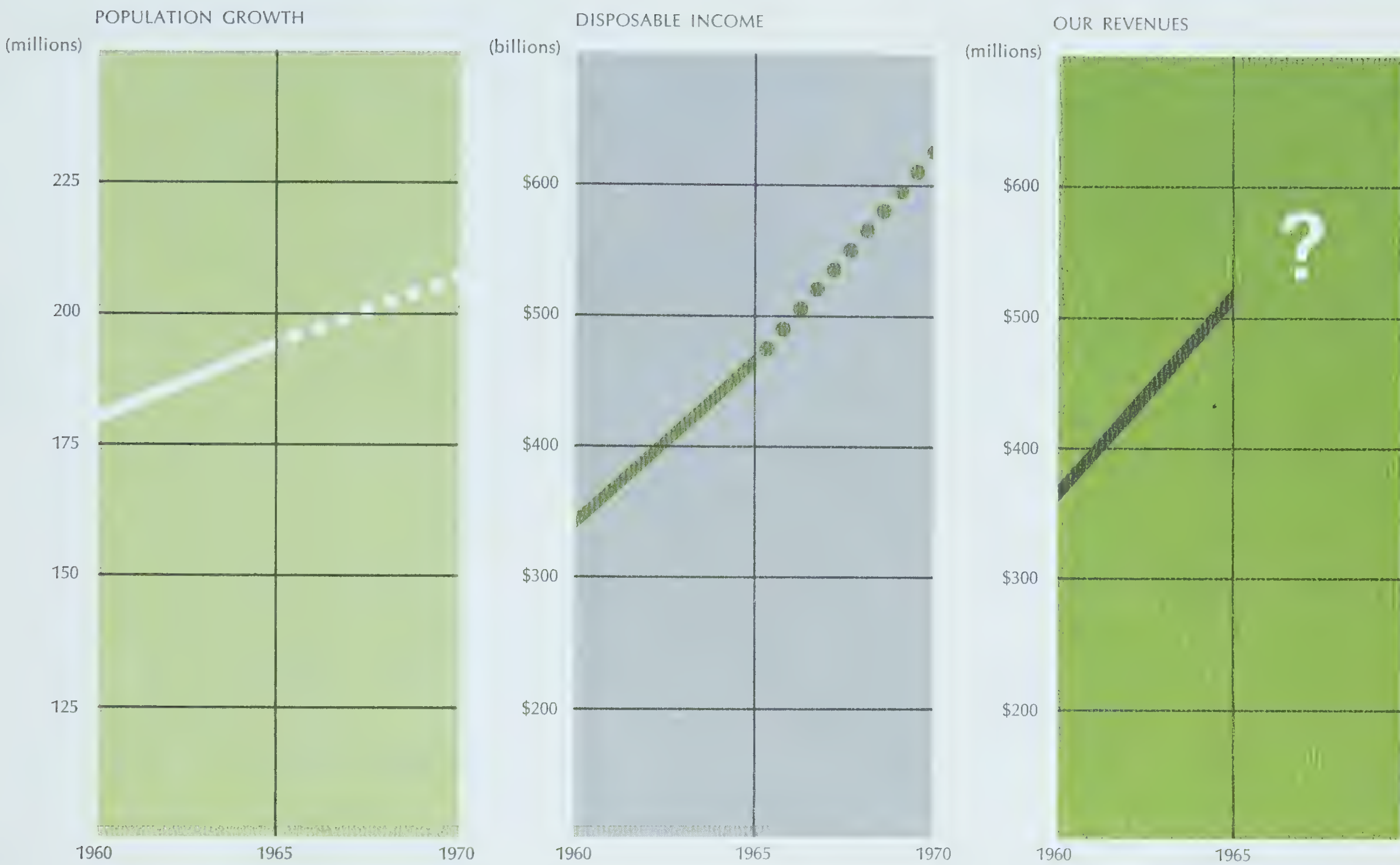
Extensive Activities Overseas

Little doubt exists that Greyhound in the future will be engaged extensively abroad. We now have a 50 per cent interest in a Switzerland-based industrial-leasing company; we have a Holland-headquartered bus company that provides tours throughout Europe and intracity and intercity bus service in The Netherlands, and we have made a modest entry into the industrial food-catering field in Belgium.

We have had overtures to provide bus tours in several foreign countries: Ireland, Spain, Portugal, Italy—and, more recently, Libya and India. Operations in these countries, in cooperation with nationals of the countries, as is our policy, now are being considered seriously.

We believe that Greyhound, today's leader in bus, leasing and other fields, is ideally prepared to take advantage in the years to come of the many growing areas of opportunity available to us.

Management of your company believes Greyhound is indeed "the Action Company—With an *Excellent* Future!"



This country's population in 1970 will be an estimated 207.1 million persons, up from 194.6 million in 1965 and 180.7 million in 1960. This growth means a greater potential market for Greyhound's various services: transportation—including tours and sightseeing as well as regular and pleasure travel—money orders, insurance, food, household moving and others. Since our bus operations contribute so heavily to overall Greyhound revenues, the climb foreseen in disposable income—money Americans have available for personal-paid travel, for example—points to substantial gains in business for your company. Disposable income rose more than 34 per cent from 1960-5—to $465.3 billion from $346.1 billion. If that pace is maintained, as travel experts anticipate, disposable income will reach $625 billion by 1970. The prospects for Greyhound's future are promising indeed from these and other business-influencing factors.

Sources: U. S. Department of Commerce and 1966 Travel Market Yearbook

YOUR COMPANY'S MANAGEMENT

Board of Directors—The Greyhound Corporation

FREDERICK W. ACKERMAN San Francisco, California
Chairman of the Board, Executive Committee Chairman,
The Greyhound Corporation

WILLIAM R. ADAMS New York, New York
President, St. Regis Paper Company

D. P. BOOTHE, JR. San Francisco, California
Chairman of the Board & Chief Executive Officer,
Greyhound Leasing & Financial Corporation,
President, GC Computer Corporation,
Executive Committee Member, The Greyhound Corporation

HOWARD BOYD New York, New York
Chairman of the Board, El Paso Natural Gas Company

FREDERICK L. EHRMAN New York, New York
Partner, Lehman Brothers
Executive Committee Member, The Greyhound Corporation

H. VANCE GREENSLIT Chicago, Illinois
President & Chief Executive Officer, Greyhound Lines, Inc.

PAUL E. HOOVER San Francisco, California
Chairman of the Board, Crocker-Citizens National Bank

HENRY A. MONTAGUE Detroit, Michigan
Chairman of the Board, Greyhound Food Management, Inc.

CHARLES S. MUNSON New York, New York
Chairman, Executive Committee, Air Reduction Company, Inc.
Executive Committee Member, The Greyhound Corporation

RAYMOND F. SHAFFER Chicago, Illinois
Executive Vice President, The Greyhound Corporation

HANS STAUFFER New York, New York
President, Stauffer Chemical Company

HAROLD C. STUART Tulsa, Oklahoma
Partner, Doerner, Stuart, Moreland & Saunders, Attorneys at Law

GERALD H. TRAUTMAN Chicago, Illinois
President & Chief Executive Officer, Executive Committee Member,
The Greyhound Corporation

JAMES W. WALKER New York, New York
President, Brady Security & Realty Corporation

LESLIE B. WORTHINGTON New York, New York
President, United States Steel Corporation

Executives—The Greyhound Corporation

FREDERICK W. ACKERMAN Chairman of the Board

GERALD H. TRAUTMAN President & Chief Executive Officer

RAYMOND F. SHAFFER Executive Vice President

RALPH C. BATASTINI Vice President–Finance

JAMES E. HAWTHORNE Vice President–Marketing

ROBERT O. LOWE Vice President & Comptroller

PETER K. NEVITT Vice President–Industrial Relations & Personnel

GEORGE T. CHRISTIE Secretary

JAMES A. HANLEY Treasurer

CARL J. FLEPS Assistant to the President

ADAM P. SLEDZ Assistant to the President

RAYMOND H. WARNS General Attorney

GREGORY M. HEINE Assistant Secretary

WILLIAM H. STARLING Assistant Secretary

F. EDWARD LAKE Assistant Treasurer

Executives—Transportation Services

Greyhound Lines, Inc., Chicago, Illinois

H. VANCE GREENSLIT President & Chief Executive Officer
ROBERT J. BERNARD Vice President–Commerce
C. A. CALHOUN Vice President–Mexico
RICHARD G. GEBHARDT Vice President–Maintenance
ROBERT E. GOCKE Vice President–Safety & Regulatory Relations
WILLIAM E. HASTINGS Vice President–Traffic
N. L. MAINO Vice President–Transportation
JOSEPH G. STIEBER Vice President–Engineering
THEODORE VAN SCHELVEN Vice President–Europe

Greyhound Lines, Central Division, Fort Worth, Texas

JAMES L. KERRIGAN President
BART COOK Vice President–Traffic
HARRY T. DOTSON Vice President & Comptroller
HARRELL E. HANEY Vice President–Maintenance
DONALD R. RITCHEY Vice President–Transportation
EARL E. SHEW Vice President–Industrial Relations
GEORGE H. SISSON Vice President–Marketing

Greyhound Lines, Eastern Division, Cleveland, Ohio

CLOYD KIMBALL President
C. J. BRONSTON Vice President–Transportation
JOSEPH M. CLARKE Vice President & Comptroller
WILLIAM R. HATCH Vice President–Marketing
BERT L. HERRICK Vice President–Maintenance
EDWIN C. NICHOLS Vice President–Industrial Relations
MICHAEL J. O'ROURKE Vice President–Traffic

Greyhound Lines, Southern Division, Lexington, Kentucky

WILLIAM E. JONES President
JOHN E. ADKINS Vice President–Traffic
JAMES T. ALEXANDER Vice President–Operations
ROBERT E. HOLLAND Vice President–Maintenance
DENZIL A. O'DELL Vice President–Marketing
A. E. PENDLETON Vice President & Comptroller

Greyhound Lines, Western Division, San Francisco, Calif.

WILLIAM H. STARLING President
WILLIAM M. BEELER Vice President–Traffic
RICHARD N. DICK Vice President–Transportation
HARRY T. DOTSON Vice President & Comptroller
RICHARD M. EIKENBERRY Vice President–Marketing
FRANK L. NAGEOTTE Vice President & Assistant to the President
J. B. RICE Vice President–Maintenance

Greyhound Lines of Canada, Ltd., Calgary, Alberta, Canada

ROBERT L. BORDEN President
J. S. FREW Comptroller
LORNE FRIZZELL Vice President & General Manager, Maintenance & Transportation
FLOYD L. MOGEN General Sales & Traffic Manager

Greyhound de Mexico, S.A. de C.V., Mexico City, Mexico

GERALD H. TRAUTMAN President
OSWALDO PONCE Vice President & General Manager

Greyhound Van Lines, Inc., Northlake, Illinois

ROBERT R. C. MILLER President
ROBERT J. BURWELL Vice President–Operations
EDWARD F. LALLY Vice President & Comptroller
LLOYD F. MITCHELL Vice President–Sales

Motor Coach Industries, Limited, and Motor Coach Industries, Inc. Winnipeg, Manitoba, Canada

HARRY ZOLTOK President
DOUGLAS D. CLARK Vice President–Marketing & Service
FRANK R. DILL Comptroller

Greyhound Highway Tours, Inc., Evanston, Illinois

C. D. KIRKPATRICK President
ROBERT E. HALPIN Vice President–Operations
ROBERT E. ZIMMERMAN Comptroller

Brewster Transport Company Limited, Banff, Alberta, Canada

JOHN H. HAYES President & General Manager
R. W. BRAY Comptroller

California Parlor Car Tours Company, San Francisco, Calif.

JACK H. COHEN President
THEODORE H. MAY Vice President

Gray Line, Inc., San Francisco, California

JACK H. COHEN President
GEORGE C. JONES, JR. Vice President–Operations
JAMES J. MULPETERS Vice President–Sales
WILLIAM W. SCHWARZER Vice President

VAVO-Greyhound N.V., Schoonhoven, Holland

S. O. KUNEMAN President
C. BOTHOF Comptroller

Washington Sightseeing Tours, Inc., Washington, D.C.

V. K. STEPHENS President

Executives—Food Services

Greyhound Food Management, Inc., Detroit, Michigan

HENRY A. MONTAGUE Chairman
WILLIAM E. LASSITER President & Chief Executive Officer
W. K. HALL Vice President–Labor Relations
EDWARD R. MAREK Vice President & Comptroller

Prophet Company, Detroit, Michigan

JAMES E. RATHER President
ROBERT G. BARTHOLOMEW Vice President–Southern Division
WALTER E. BUTTON Vice President–Midwest Division
ADAM L. HABLER Vice President–Sales
ELMER L. OLSEN Vice President–Eastern Division
WILLIAM RICKMAN Vice President–Western Division
CLIFFORD SAEGER Vice President–Dallas Division
JACK K. SAMUELS Vice President–Marketing
JOSEPH V. WALKER Vice President–Central Division

Post Houses, Inc., Detroit, Michigan

JOHN W. TEETS President
JOHN H. DE SAYE Vice President–Western Division
MATTHEW C. DUFFY Vice President
SAMUEL E. MOORE Vice President–Eastern Division
I. L. MULLINS Vice President–Southern Division
VINCENT PROFITA Vice President–Central Division

Horne's Enterprises, Inc., Detroit, Michigan

JOHN W. TEETS President
AUBREY G. GOODWIN Vice President–Operations
ROBERT I. HORNE Special Consultant
ETTINGS T. HUGHES Executive Vice President

Restaura, S.A., Brussels, Belgium

COUNT YVES du MONCEAU de BERGENDAEL
President & Managing Director
J. PETER LAURSEN Vice President & Executive Director

Executives—Financial Services

Greyhound Leasing & Financial Corporation, San Francisco, California

D. P. BOOTHE, JR. Chairman of the Board & Chief Executive Officer
W. CARROLL BUMPERS President
SPENCER W. CLAWSON Vice President–Western Division
JAMES M. DOODY, JR. Vice President
JAMES J. GARWOOD Vice President–Southern Division
E. B. MC GREAL Vice President
VANCE A. TERRY Comptroller
EDWARD N. TOWNSEND Vice President–Eastern Division, Aircraft
J. ROGER WALTERS Vice President–Operations
RICHARD L. WALTERS Senior Vice President–Sales

GC Computer Corporation, New York, New York

D. P. BOOTHE, JR. President
HERBERT B. BLODGETT Vice President
SPENCER W. CLAWSON Vice President
RONALD C. CONNALLY Vice President
JAMES M. DOODY, JR. Vice President
PAUL W. WILLIAMS, JR. Senior Vice President–Sales

Greyhound Leasing & Financial of Canada, Ltd., Toronto, Ontario, Canada

H. NOEL CRAWFORD President & General Manager
W. H. MOLLE Vice President, Assistant General Manager

Greyhound Financial & Leasing Corporation, A. G., Zug, Switzerland

SAUL G. MARIAS Manager

General Fire & Casualty Company, New York, New York

DAVID J. MAUNDRELL President
T. G. CORVAN Vice President–Claims Administration
HENRY GRUFFI Vice President & Attorney of Record
W. S. PATTON Vice President–Special Coverages
A. FRANK SIGNORE Vice President & Treasurer

Travelers Express Company, Inc., Minneapolis, Minnesota

ARTHUR S. MOORE President
CLARENCE A. E. ANDERSON, JR. Vice President–Eastern Division
JOHN S. CABOT Vice President–Central Division
JERE E. DALLDORF Vice President
GEORGE W. DOUD Vice President–Advertising & Public Relations
EDWARD J. HENTGES Comptroller
V. MARVIN IRWIN Vice President–Western Division
DALE W. JOHNSON Vice President–National Operations
CHARLES F. MULLEN Vice President–Sales

Stock Exchanges

Common stock of The Greyhound Corporation is listed and traded on the New York, Midwest, and Pacific Coast stock exchanges. It also is traded on the Boston, Philadelphia, Baltimore, Detroit, and Cincinnati exchanges. The 4½ per cent cumulative preference stock is listed on the New York and Pacific Coast exchanges and the 3 per cent second cumulative preference stock is listed on the New York, Midwest and Pacific Coast stock exchanges.

Transfer Agents

First National City Bank, 399 Park Avenue, New York, New York 10013

Continental Illinois Bank & Trust Company of Chicago, 231 South LaSalle Street, Chicago, Illinois 60690

Crocker-Citizens National Bank, 1 Montgomery Street, San Francisco, California 94120

Registrars

Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, New York 10015

Harris Trust & Savings Bank, 111 West Monroe, Chicago, Illinois 60603

Wells-Fargo Bank, 464 California Street, San Francisco, California 94120

Corporate Headquarters

The Greyhound Corporation,
10 South Riverside Plaza, Chicago, Illinois 60606
(312) 346-7560

The Greyhound Corporation, 10 South Riverside Plaza, Chicago, Illinois 60606

Greyhound's new corporate offices are on the 19th floor of this Chicago buildir